

MEMORANDUM

State of Alaska

AKO 701
1/9/87
Ma

TO: Dennis D. Kelso
Commissioner
Department of Environmental
Conservation

DATE: July 9, 1987

FILE NO:

TELEPHONE NO: 465-2666

FROM: Stanley W. Hungerford
Supervisor
Air & Solid Waste Management

SUBJECT: Meeting About MAPCO
with GAO Representative

An investigation of North Pole Refinery activities is being conducted by Stephen R. Myerson of the U.S. General Accounting Office. Due to attention on North Pole Refinery, he was asked by the U.S. Congress to look at the role of MAPCO's contribution to a "serious national problem." We met on July 9 from 11:30 a.m.-1:00 p.m. in EPA-AOO office. Present were Mr. Myerson (GAO), Irene Alexakos (A), Glenn Miller (M), and Stan Hungerford (H). The following summarizes the questions:

- H - Described organization of my section and the department.
- GAO ---- Described what he represents (Senate request)
- Was the March 5 inspection the first detailed review of MAPCO by ADEC?
- M - The refinery has been regulated by the Fairbanks office ever since it was built.
- GAO ---- Was it the first RCRA review?
- M - Yes; CERCLA PA noted RCRAness, we scheduled EPA-approved inspection, hustled it up with EPA's encouragement (unannounced).
- GAO ---- Would (of Irene) you have picked the April date?
- A - Annual schedule is arranged by DEC-EPA by quarters, only fixed dates are oversights by EPA.
- M - Same sort of comment.
- GAO ---- When did we schedule MAPCO?
- M - It was a mid-winter change to the schedule.
- GAO ---- Why is Glenn involved in the inspection?
- M - Regional supervisor wanted his assistance, since Jeff Mach, our NRO RCRA inspector, had never been to a refinery.
- H - Explained why technical assistance by our office occurs.
- GAO ---- Was it a total surprise inspection?

FILE COPY

- M - Yes, arrived unannounced at 8:00 a.m., we usually call one week in advance to make sure the right people are available; not this time.
- GAO ---- Do you ordinarily need a compliance order to enter facility?
- H - No, very rarely does a facility owner object to our inspections
- M - Our laws say we have a right to access at normal or reasonable times.
- GAO ---- It is alleged that 1) it was not a surprise; and 2) they had time to remove evidence.
- M - Don't have any reason to believe that since there seemed to have been no efforts to tidy up or label drum storage, etc.
- GAO ---- Was April inspection announced?
- M - No. He described how some people tidy up things, MAPCO didn't look like that.
- GAO ---- Asked if April notice had been given.
- M - No--ask Mach.
- GAO ---- First time you've met them (people)?
- M - Yes.
- GAO ---- Atmosphere of the facility owners, etc.
- M - Surprise followed by willingness to cooperate. Glenn identified Mr. Fritz as plant manager.
- GAO ---- Do you think Dietrick caves in to MAPCO?
- M - No.
- H - No. He's a very enforcement-oriented employee.
- GAO ---- Atmosphere, again.
- M - Cooperative.
- GAO ---- Was documentation requested? Logs, etc.?
- M - It's in the report - looked at logs, they had some hesitance to release copies due to potential public release to competition related to corrosion controls (Tesoro). It seemed reasonable, but asked for copies of some pages related to drum emptying and crushing data.
- GAO ---- Did they give it to us?

M - Jeff went back to the plant to get it.

GAO ---- Are there backup files?

M - Jeff has that.

GAO ---- Talk to Jim Boltz?

M - No; Mr. Rowse and Mr. Hook, though.

GAO - Anything other than logs?

M - Material safety data sheets--many drums were full--evaluated them vs RCRA; most were corrosion inhibitors, surfactants and other "normal" process chemicals; most were "flammable"--had they followed RCRA procedures for "recycling" it would have been OK.

GAO ---- You mean RCRA regulations?

M - Yes.

GAO ---- Is RCRA about reinjection?

M - You could argue that it is recycling.

GAO ---- They are, then, a non-notifier

M - Yes, it was a non-notifier inspection.

GAO - Is it reasonable that this facility would be a non-notifier?

M - Yes and no. They don't have the usual listed wastes (no API separator; no heat exchanger bundle cleaning)--but there are curious questions about the tank's function so asked EPA to use section 3007 letter to find out the functions; they have air-to-oil exchange instead of liquid-to-oil, so no sludge forms; corrosives could be neutralized under regulations; flammable liquids could go into pipeline so MAPCO could avoid RCRA applicability.

GAO ---- It's not so unreasonable to be a non-notifier.

M - We could have guessed, we usually do five non-notifier inspections per year.

GAO ---- Why didn't we do MAPCO earlier?

M - Usually find out who the non-notifiers are by "spring cleanup"--explained--also added that if anybody asks about a facility, we work it out with EPA in our scheduling; this is the same sort of circumstance, except CERCLIS triggered our attention.

GAO ---- have you got enough resources to do the job?

M - We have only looked at half of our notifier list, in 4 1/2 years.

H - Explained budget fluctuations over that period.

M - We could have inspected MAPCO, but didn't.

H - It's just one of those things.

GAO ---- Isn't Tesoro a smaller refinery?

M - No, MAPCO only takes a cut of the crude oil for kerosene and gasoline, so much crude oil goes back into line. Tesoro runs the whole barrel; we made no conscious decision to ignore MAPCO.

H - Same statement.

GAO ---- Isn't the injection a contract item?

H - Yes, but talk to AOGCC or DNR about that.

GAO ---- It seems you got good compliance quickly!

M - Once they got the point, they picked up (on the flammables, at least).

We conducted an exit interview: Described obvious violations, listed solvents, storage, recycling questions, Tank 192 questions, gave him straight advice and suggested quick clear-up of major violations to help enforcement situation.

GAO ---- Shouldn't their chemical lab have known what the solvent was?

M - Yes, clearly knew what it was, but didn't seem to know differences between other solvents and chlorinated solvents.

H - Suggested they stop using the chlorinated solvents since they didn't need to, and it's a listed waste (explained F-001/002 wastes).

GAO ---- Is that the only solvent?

M - No, the chlorinated one is toxic, others are merely flammable.

GAO ---- Was there intent to inject?

M - Yes, they stopped doing it following my suggestion; it's not unusual to misunderstand these things. Since it was illegal, but it's only six drums per year so it would be non-detectable (read paragraph about "navy solvents" from inspection report.

GAO ---- Was that the only substance that should clearly not be injected?

M - Yes; there are rumors about acids, but due to the risk to piping it would be stupid; probably neutralized acid in wastewater ponds--OK under RCRA. Someone could have put it in a sump by mistake, but no evidence, and corrosion is on their mind.

GAO ---- Is Alyeska concerned with what's going into the pipeline?

M - Yes, it's tested by Alyeska from the return line.

H - Probably also tested for product mix due to pricing arrangements.

GAO ---- Test/sample schedule?

M - Not sure, the one we saw was probably a surprise test--sampling might not detect it due to low concentration.

GAO ---- Has company seen report?

M - No.

A - Section 3007 information request was sent May 15, 1987. I don't have a copy of their response, it has just arrived in Seattle recently.

The next stage is to issue an order, which will include

- 1) violation and penalties
- 2) "shape up" instructions--EPA is considering requiring more sampling testing.

GAO ---- Any sense of inappropriate actions like paying off politicians?

M - No; we got a legislative ~~contract~~ related to this inspection.

H - Representative Davis about the results?

M - Maybe--there was no talk about such things (payoff); Mr. Rowse was bothered by the time it took to deal with inspection, but remained cooperative.

GAO ---- They didn't try to bamboozle you?

M - No.

GAO ---- Did "Bucky" A.L. Wright participate? (A VP or something.)

M - No.

GAO ---- No political influence suggested?

M - No.

GAO ---- Is this US attention undue? Is DEC planning anything different than normal?

M - No; it's under EPA enforcement now, but we'll follow up at EPA request; probably put MAPCO on annual list this year--since it's a "big" case we'll check up for several years.

H - Described air toxics permit.

GAO ---- What do you know about wastewater to North Pole (city) treatment plant?

H - That's under purview of our water people in Fairbanks.

GAO ---- Is there some EPA involvement in this?

A - That's the wrong issue, it's a state responsibility.

GAO ---- Anything else?

M - We sort of are acting as referee; we look for all possible violations in order to make the RCRA points to the company; we are not interested in letting the company confuse us.

GAO ---- Your background?

M - Annapolis and Michigan State. General Motors, four years.

GAO ---- Thanks.

H - We talked about permit files and the differences in programs and offices.

GAO ---- Were you involved in the Ombudsman Report?

H - We're not involved.

GAO ---- Thank you for your cooperation. Due to publicity and things, will we report to Kelso? (Yes.) Congress is not looking at ADEC operations, but MAPCO's relationship to the oil line.

M - We saw, as RCRA violations, a fire hazard, and "paperwork" concerns.

cc. David DiTraglia/Glenn Miller, CO
Larry Dietrick
Steve Torok, EPA AOO
John McDonagh